

यूनियन बैंक
ऑफ इंडिया
अच्छे लोग, अच्छा बैंक



Union Bank
of India
Good people to bank with

Financial Results

Q3FY20/9MFY20



February 10, 2020

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1 Business Performance

2 Financials

3 Strategic Initiatives - Outcome

4 Digital Banking

5 Group Entities

Key Parameters (YoY Growth)

Total Business
Rs. 781155 cr

8.52%

Total Deposit
Rs. 445091 cr

10.6%

Gross Advance
Rs. 336064 cr

5.84%

Net Profit
Rs. 575 cr

276%

Key Ratios

ROA
0.41%



CoD
5.53%



RONW
7.90%



YoA
8.01%



NIM
2.47%


Capital Adequacy (Basel III)

Tier II CRAR
2.02%

CRAR
14.71%

Tier I CRAR
12.69%

Improving Asset Quality

GNPA
14.86%

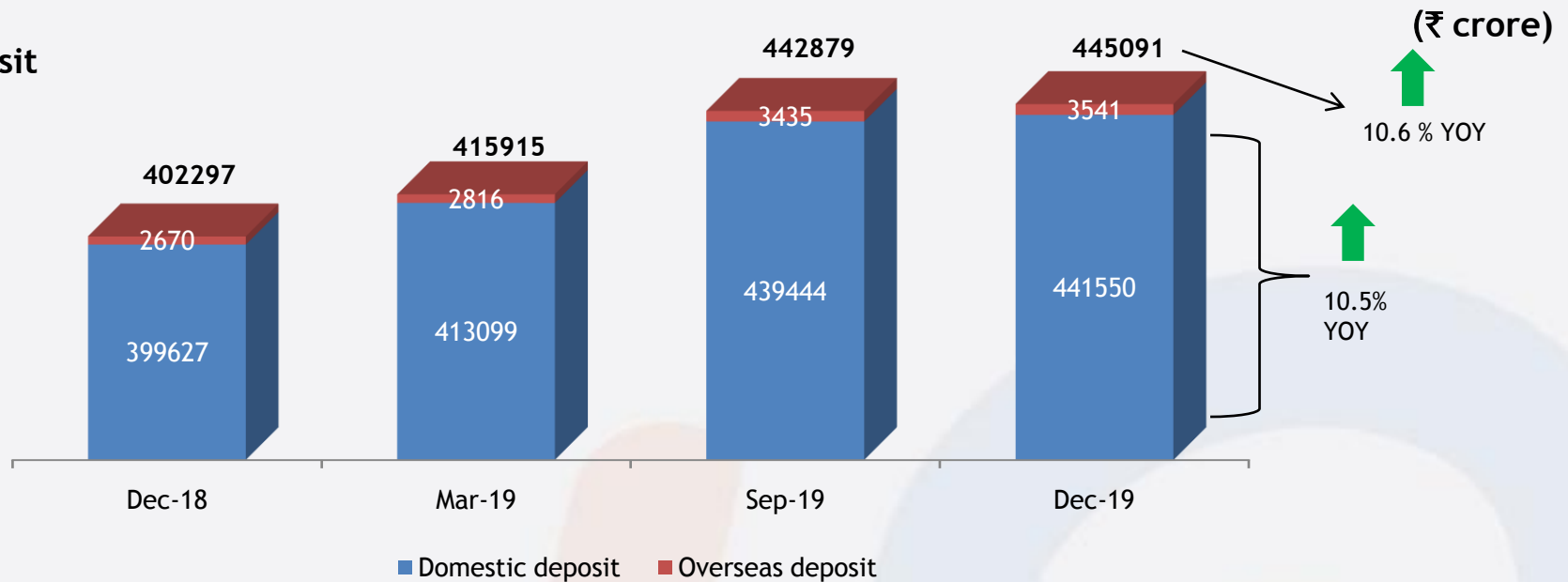


NNPA
6.99%

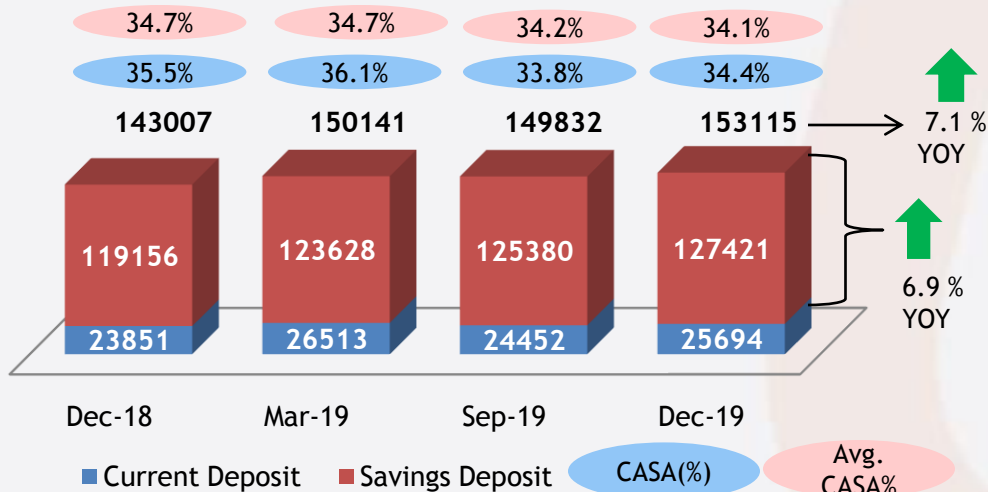


PCR
67.42%

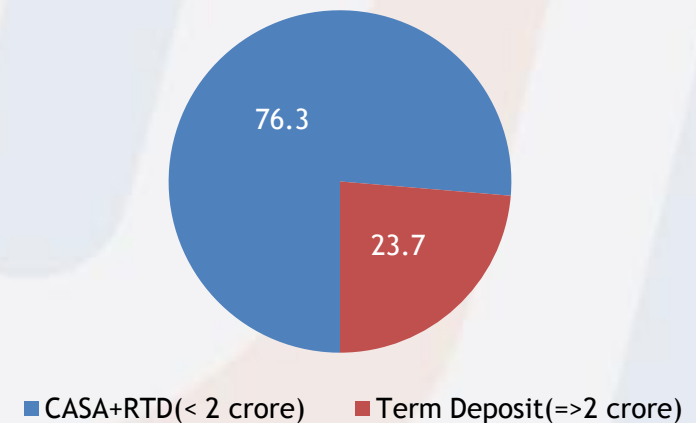
Total Deposit



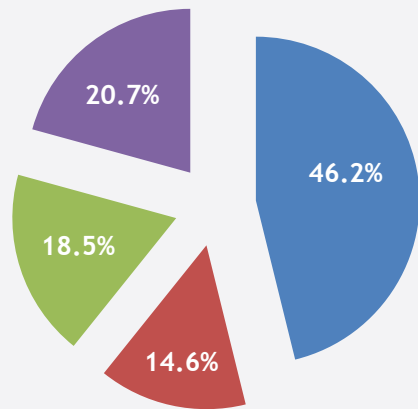
CASA Portfolio



CASA+Retail TD as % of Total Domestic Deposit as of Dec-2019



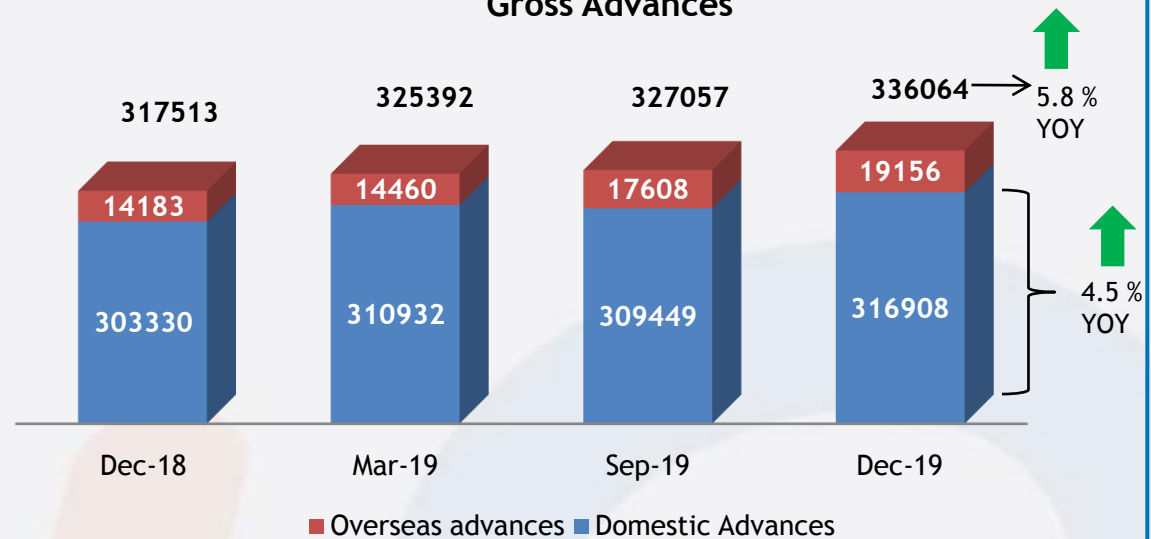
Proportion of Gross Advance - Dec19



■ Corporate & Others ■ Agriculture ■ Retail ■ MSME

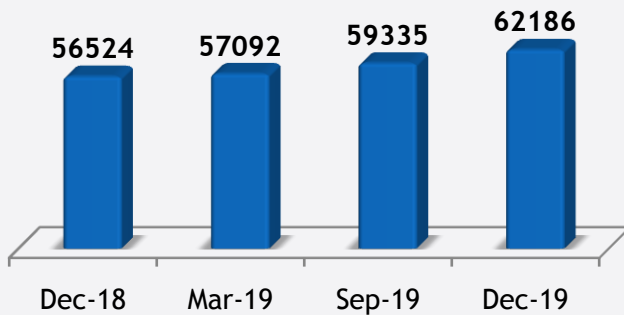
Gross Advances

(₹ crore)



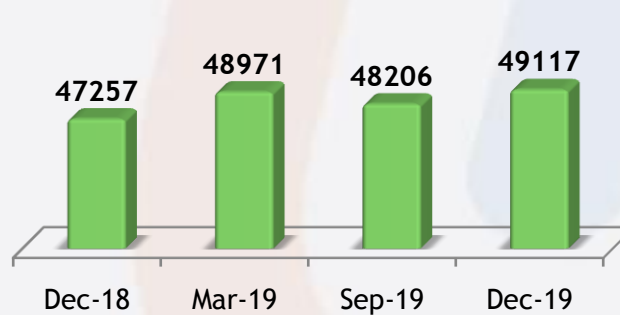
Retail

10.0% YOY ↑



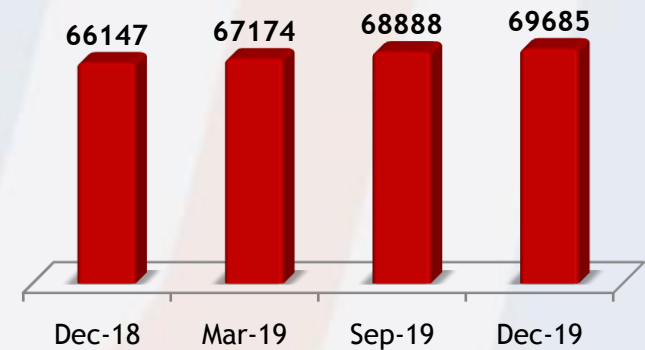
Agriculture

3.9% YOY ↑

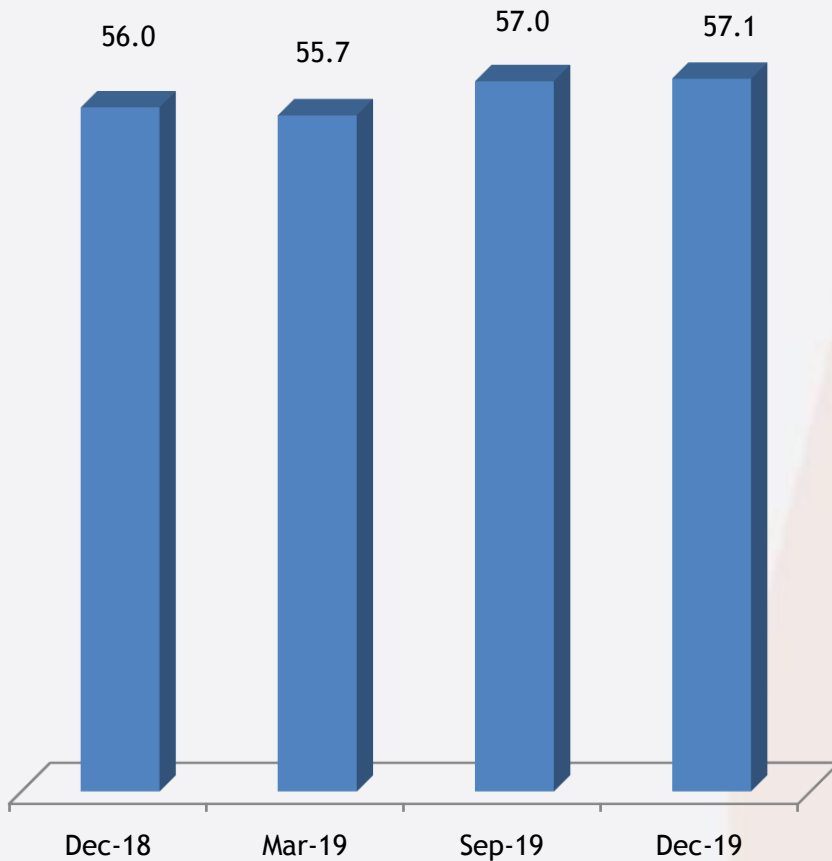


MSME

5.3% YOY ↑

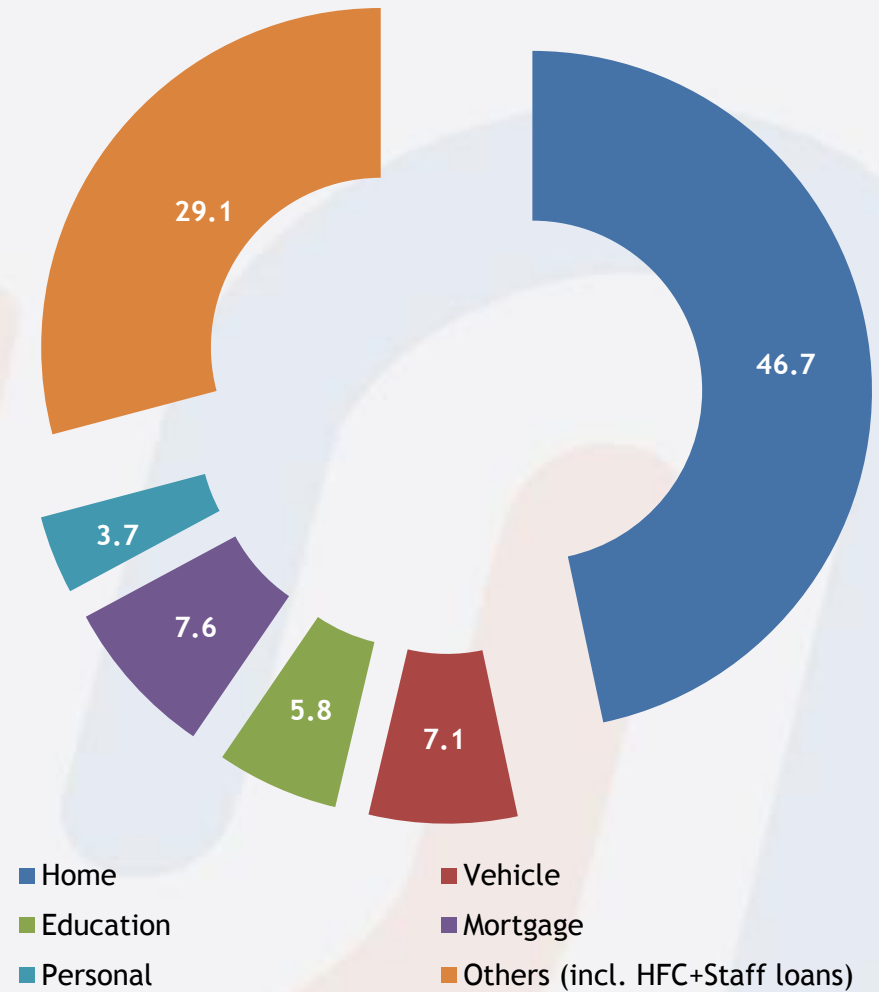


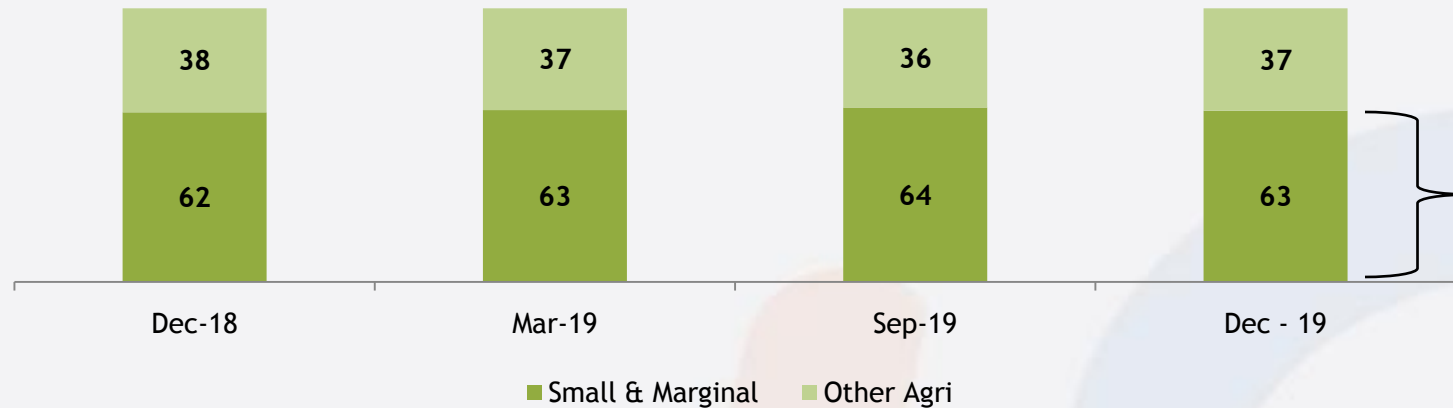
RAM* share (%) in Domestic advances



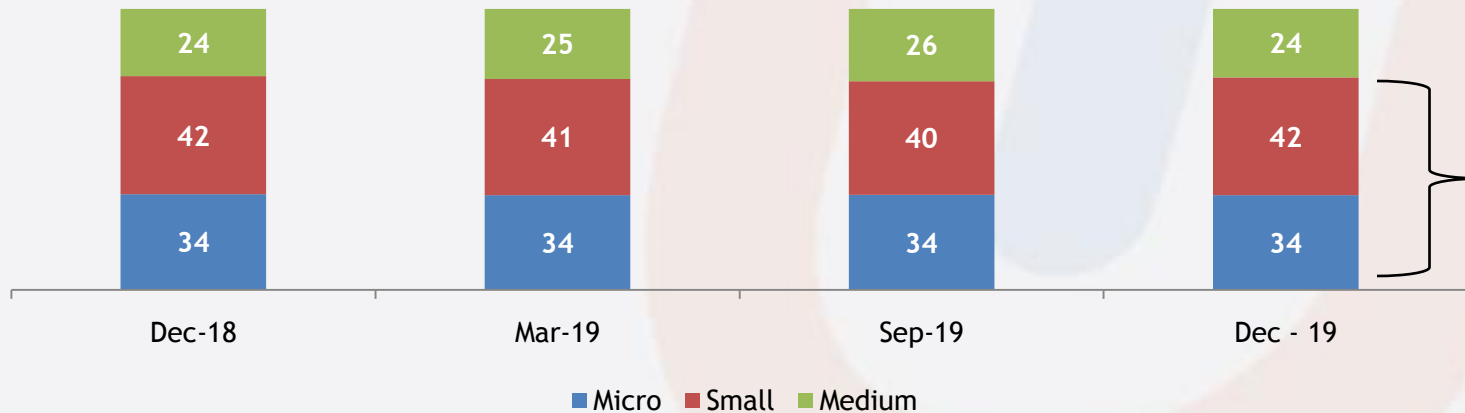
*Retail, Agriculture and MSME collectively called as "RAM sector"

Retail



Composition of Agri loan book(%)


➤ More than 63% of Agri. portfolio is for Small & Marginal farmers

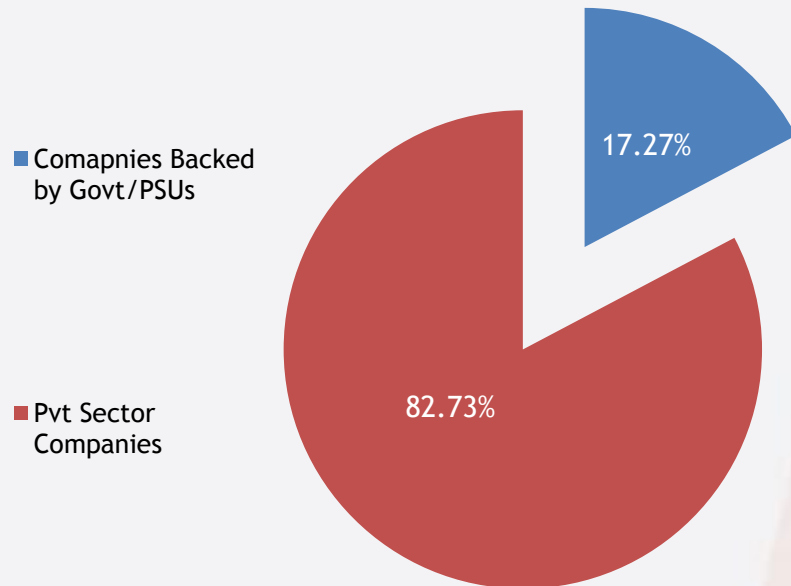
Composition of MSME loan book(%)


➤ 76% of MSME portfolio is MSE

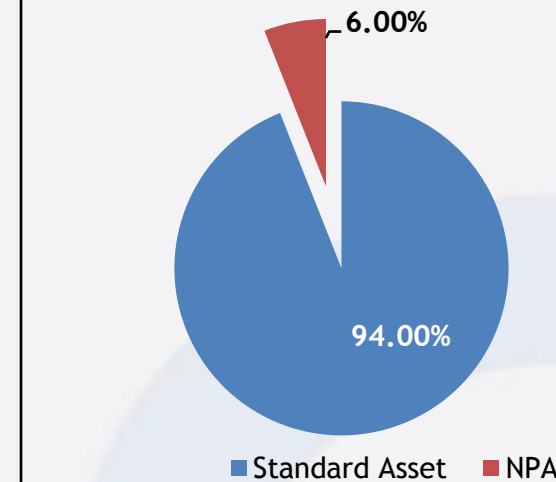
S No.	Sectors	Top Sector Exposure			
		(% Share in Domestic Advance)			
		Sep-19		Dec-19	
		₹ Crore	% Share	₹ Crore	% Share
1	Infrastructure	53367	17.2	52270	16.5
2	NBFCs and HFCs	43747	14.1	46687	14.7
	w/w HFCs	14491	4.7	17081	5.4
3	Trade	37329	12.1	38909	12.3
4	Basic Metal Products	12134	3.9	11189	3.5
5	Construction	10864	3.5	10126	3.2
6	Food Processing	9575	3.1	10668	3.4
7	Textiles	7056	2.3	7115	2.3
8	All Engineering	5417	1.8	5668	1.8
Total		179489	58.0	182632	57.6

Total FB O/s NBFCs -46687 cr
w/w HFCs - 17081 cr

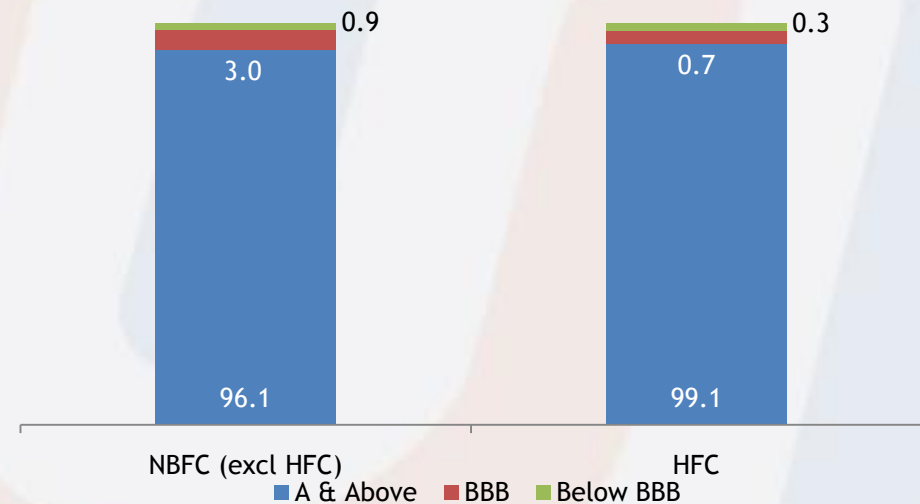
Quality of Standard Assets-NBFC

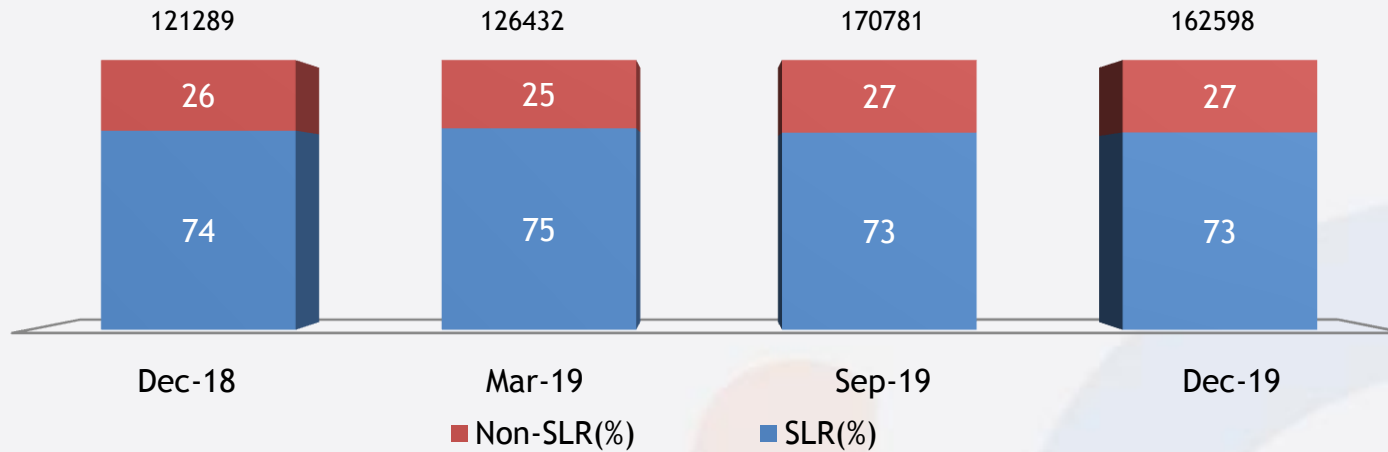


NBFC Asset Quality



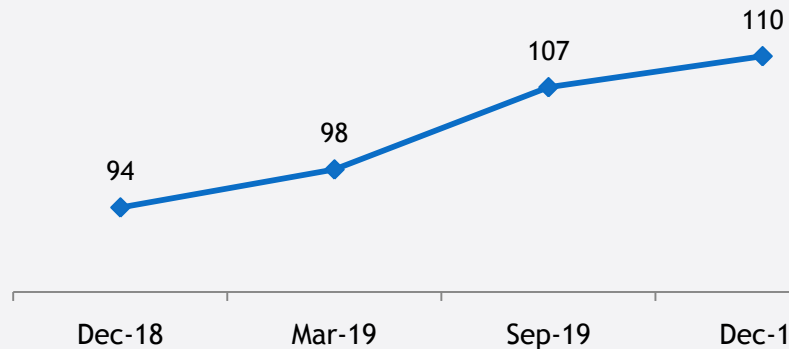
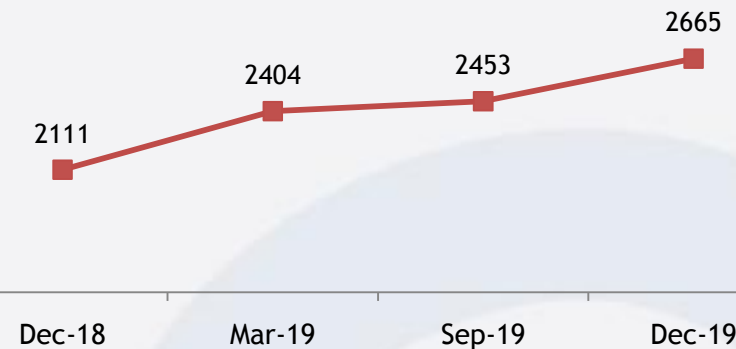
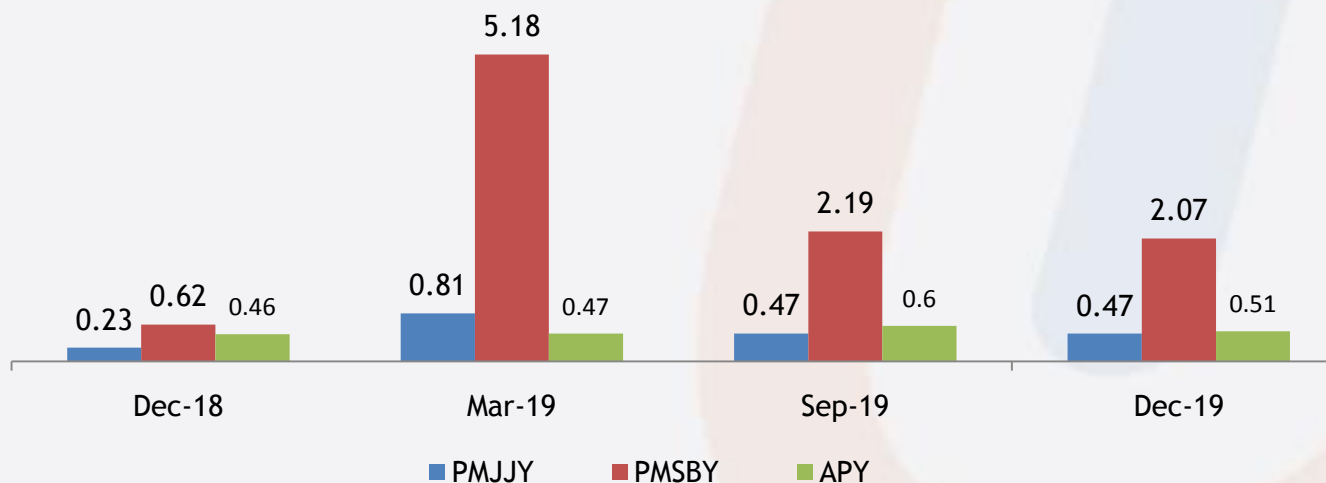
% of Std advances - Rating wise (Dec-19)



Global Investment (₹ Crore)


Particulars (Domestic)	Sep 2019	Dec 2019	Duration (Years)	
	(₹ Crore)	(₹ Crore)	Sep-19	Dec-19
Available for Sale	59445	50765	2.74	3.22
W/w SLR	37641	29879	2.74	3.40
NON SLR	21804	20886	2.72	2.87

Business from Overseas Operations					
US \$ in billion (₹ crore)	Dec 2018	Sep 2019	Dec 2019	Growth (%)	
				Y-o-Y (US\$)	Y-o-Y (INR)
Total Business	2.4 (16853)	2.9 (21043)	3.2 (22697)	33.3	34.7
Total Deposits	0.4 (2670)	0.4 (3435)	0.5 (3541)	25.0	32.6
Total Advances	2.0 (14183)	2.4 (17608)	2.68 (19156)	34.0	35.1
*1US\$ = ₹ 69.775 as on Dec 31, 2018 #1US\$ = ₹ 71.385 as on Dec 31, 2019					

**Total PMJDY Accounts
(no. in Lacs)**

**Balance in PMJDY A/Cs
(Rs. in Crs)**

Micro Insurance & APY - Fresh Enrolments (In Lacs)


**Terminal Figures -
Dec 19 (in Lacs)**

- PMJJBY - 14.63
- PMSBY - 39.51
- APY - 6.32

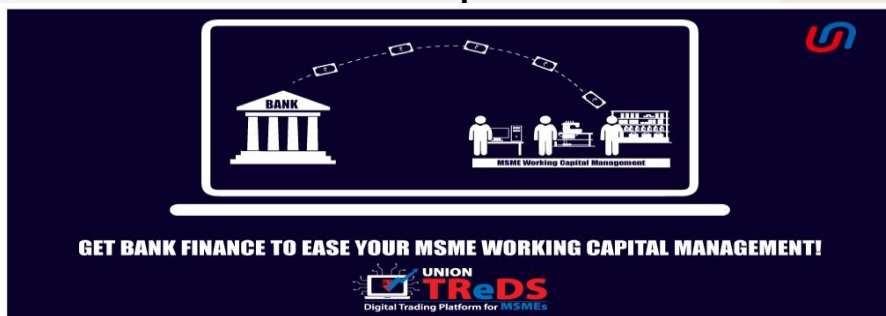
Total outstanding under Mudra loan: ₹ 7393 crore

Progress under Mudra Yojana April to December 2019 (PMMY)

Category	No. of Accounts	Sanctioned Amount (₹ crore)	Outstanding Amount (₹ crore)
Shishu (< 50k)	44232	86	62
Kishor (Above 50k-5 Lacs)	71325	1523	1263
Tarun (Above 5 Lacs-10 Lacs)	13617	1063	865
Total	129174	2672	2190

Key Highlights of performance in TReDS

- ❖ Crossed ₹1000 cr. of bill discounting on Nov 06, 2019
- ❖ Total bill discounting upto Dec-2019 stood at ₹ 1223.96 cr.
- ❖ Presence in all 3 TReDS platforms



Key Highlights of performance under psbloansin59minutes.com

- ❖ Since inception upto Dec 2019, total 5887 applications have been sanctioned aggregating to ₹ 2692.31 cr.
- ❖ Total applications sanctioned to total received during Q3FY20 stood at 68.21%



(₹ crore)

	As at 31.12.18	As at 31.03.19	As at 30.09.19	As at 31.12.19	Growth (%)	
					Y-o-Y	Q-o-Q
LIABILITIES						
Capital	1169	1763	1763	3423	193%	94%
Reserves and surplus	24390	24724	23635	34241	40%	45%
Share application	0	0	11768	0	--	--
Deposits	402297	415915	442879	445091	11%	0%
Borrowings	38528	42864	40691	36572	-5%	-10%
Other Liabilities and Provisions	8824	8773	11260	10625	20%	-6%
Total	475208	494039	531996	529951	12%	-0.4%
ASSETS						
Cash and Balances with Reserve Bank of India	18399	20796	20090	21104	15%	5%
Balances with Banks and Money at call and Short Notice	19911	22250	17034	13501	-32%	-21%
Investments	118922	126047	168714	160266	35%	-5%
Advances	291890	296932	297914	307566	5%	3%
Fixed Assets	3702	3762	3763	3727	1%	-1%
Other Assets	22383	24252	24481	23787	6%	-3%
Total	475208	494039	531996	529951	12%	-0.4%

1 Business Performance

2 Financials

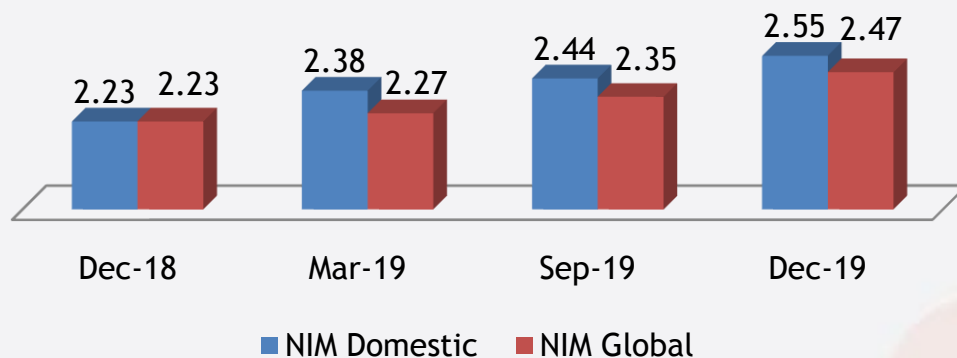
3 Strategic Initiatives - Outcome

4 Digital Banking

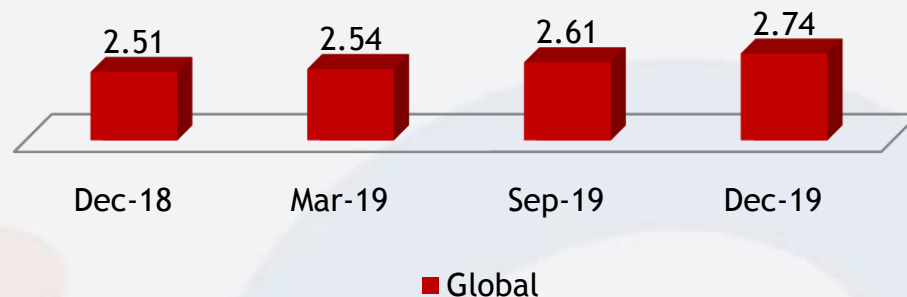
5 Group Entities

Parameters	Dec-18 (Q3)		Sep-19 (Q2)		Dec-19 (Q3)		Dec-18 (9M)		Dec-19 (9M)	
	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global	Domestic	Global
Cost of Deposit	5.61	5.59	5.68	5.66	5.55	5.53	5.56	5.54	5.62	5.60
Cost of Funds	4.95	4.87	4.79	4.76	4.75	4.69	4.94	4.85	4.84	4.80
Yield on Advances	7.93	7.75	8.10	7.89	8.25	8.01	8.02	7.79	8.11	7.90
Yield on Investment	7.23	7.13	7.08	7.03	6.79	6.73	7.09	7.01	6.91	6.86
Yield on Funds	6.98	6.89	7.00	6.89	7.08	6.95	7.01	6.89	7.02	6.92

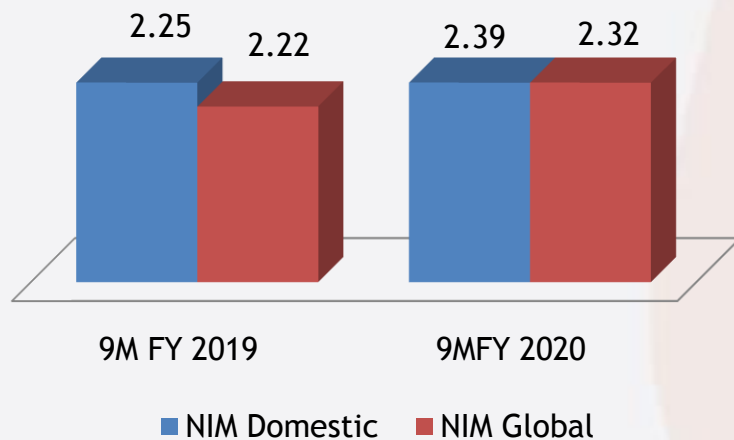
NIM Quarterly
(on Avg. Earning Assets)



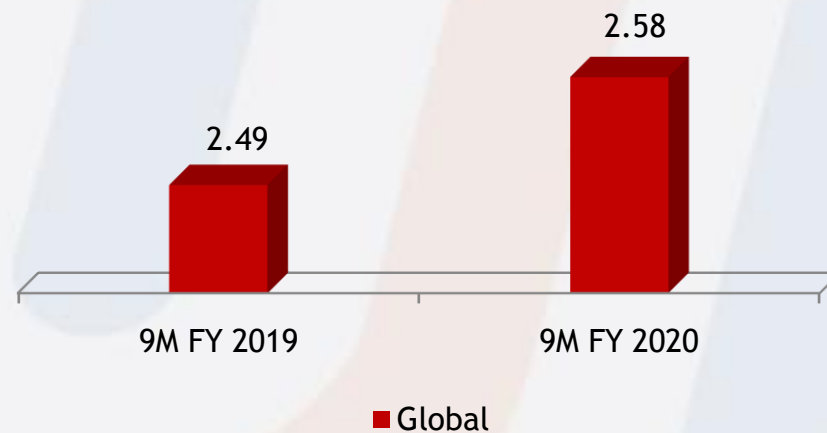
NIM Quarterly
(on AEA excl.GNPA)

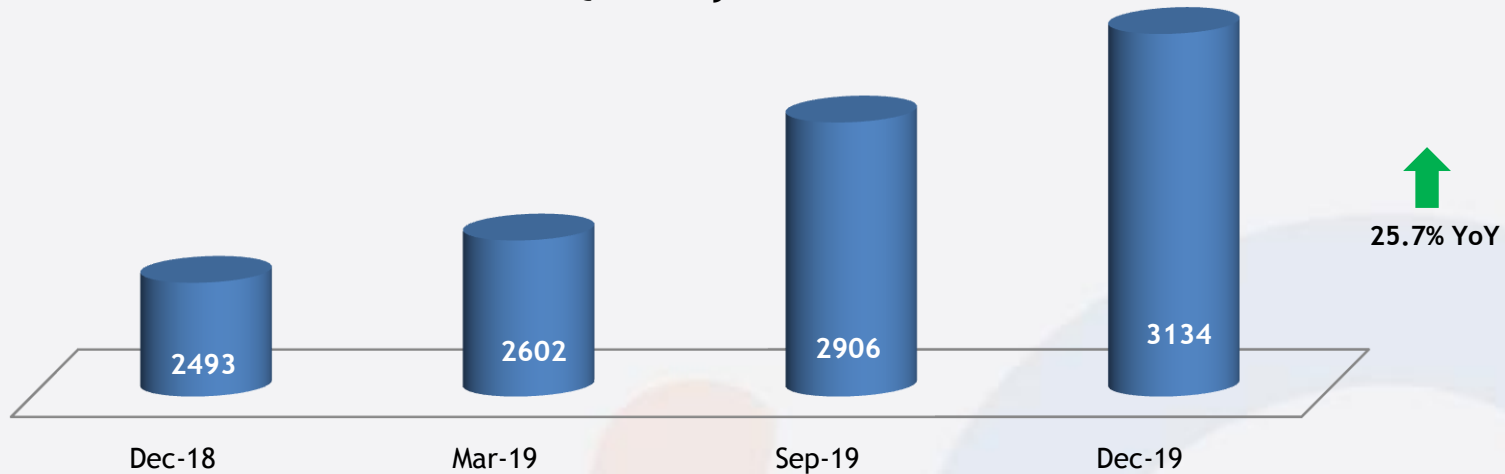
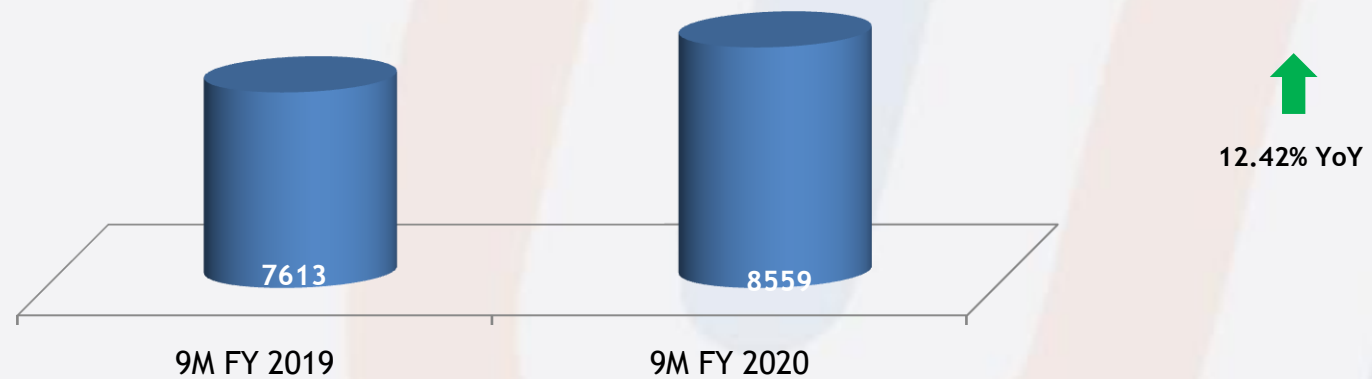


NIM (9M)
(on Avg. Earning Assets)



NIM (9M)
(on AEA excl.GNPA)



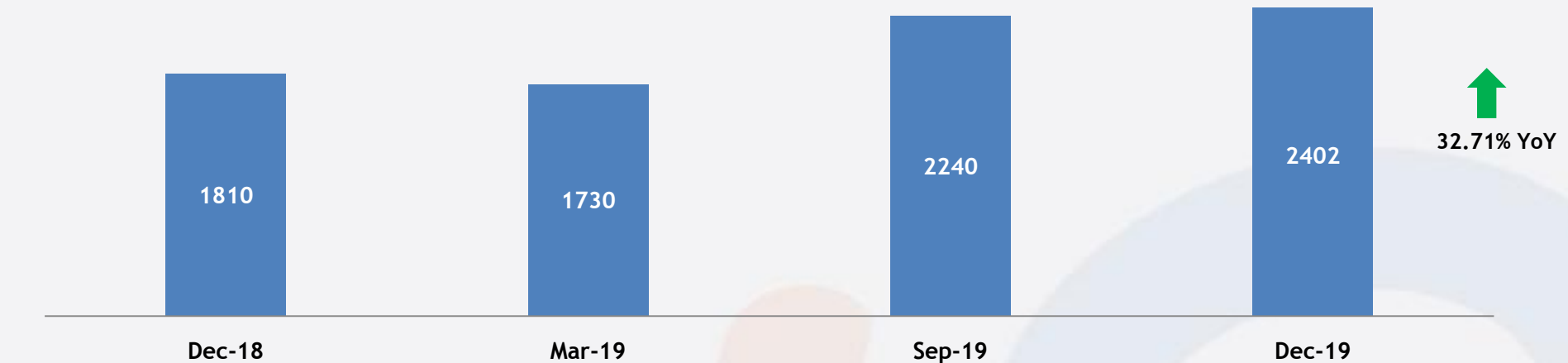
Quarterly**(₹ crore)****9M**

Parameters	Dec-18 (Q3)	Mar-19 (Q4)	Sep-19 (Q2)	Dec-19 (Q3)	Growth (%) YoY	Growth (%) QoQ	9M FY 19	9M FY 20	Growth (%)
Interest Income	8477	8349	9414	9630	13.60	2.29	25717	27942	8.65
Interest Expense	5984	5748	6508	6496	8.56	-0.18	18104	19383	7.07
Net Interest Income	2493	2602	2906	3134	25.70	7.83	7613	8559	12.42
Non-Interest Income	1095	1272	1142	1112	1.53	-2.61	3202	3243	1.29
Total Income	9572	9621	10556	10741	12.22	1.76	28919	31185	7.84
Operating Expenses	1778	2143	1809	1843	3.65	1.90	5024	5273	4.95
Total Expenses	7762	7891	8316	8339	7.44	0.28	23128	24656	6.61

Parameters	Dec-18 (Q3)	Mar-19 (Q4)	Sep-19 (Q2)	Dec-19 (Q3)	Growth (%) YoY	Growth (%) QoQ	9M FY 19	9M FY 20	Growth (%)
a. Core Non Interest Income	660	867	605	648	-1.79	7.13	2009	1753	-12.74
b. Treasury Income	191	266	379	135	-29.30	-64.35	632	860	35.94
W/w									
• Profit on Sale of Investments	110	188	292	82	-24.88	-71.79	385	630	63.51
• Exchange Profit	81	78	87	53	-35.25	-39.33	247	230	-7.03
c. Recovery in Written off Accounts	244	138	158	328	34.45	106.85	561	631	12.39
Total	1095	1271	1143	1112	1.47	-2.76	3202	3243	1.27

Operating Profit(Quarterly)

(₹ crore)

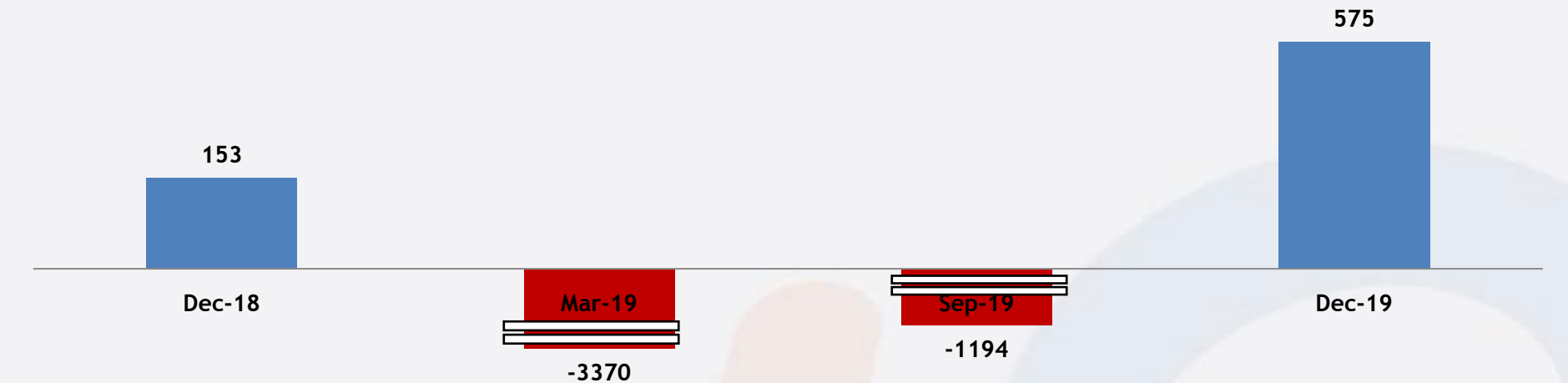
**Operating Profit (9 Months)**

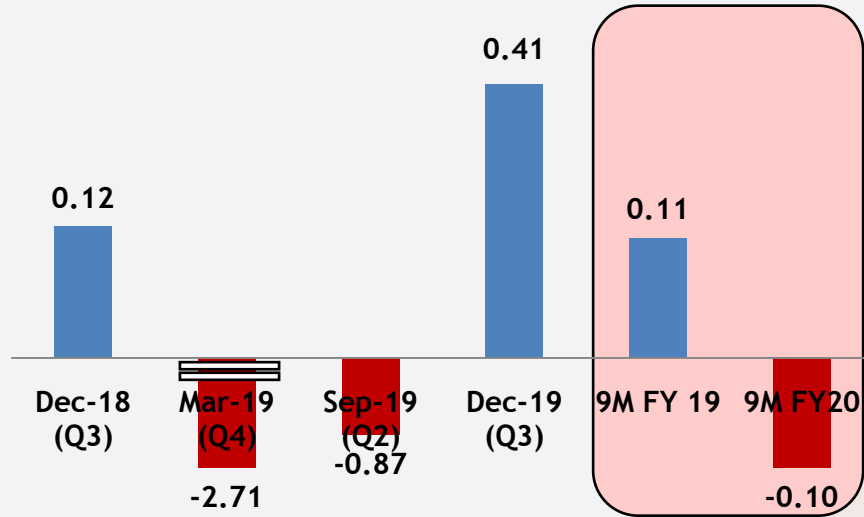
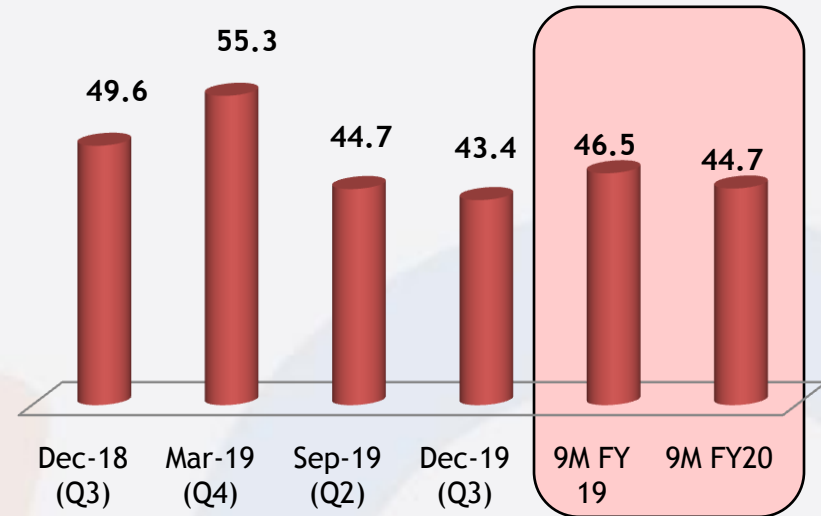
(₹ crore)

Parameters	Dec-18 (Q3)	Mar-19 (Q4)	Sep-19 (Q2)	Dec-19 (Q3)	9M FY19	9M FY20
NPAs	2139	5783	3328	1570	5652	6329
Standard Assets	71	21	570	-255	116	217
Depreciation on Investment	-551	-26	-91	265	-378	253
Shifting Loss	0	0	0	0	411	4
Restructured Advances	0	-102	-21	-26	-254	-22
Others (FITL etc)	18	91	74	265	134	416
Taxation	-20	-667	-425	8	-312	-274
Total	1657	5100	3434	1827	5369	6923

Net profit(Quarterly)

(₹ crore)


Net Profit(9M)


Return on Avg. Assets (%)

Cost to Income(%)


S. No.	Efficiency Parameters	Dec-18 (Q3)	Mar-19 (Q4)	Sep-19 (Q2)	Dec-19 (Q3)	9M FY 2019	9M FY 2020
1	Return on Equity* (%)	3.48	-71.21	-16.54	7.84	3.20	-1.79
2	Book Value Per Share	150.52	107.36	96.94	85.67	150.52	85.67
3	Earnings per share	5.24	-28.19	-27.08	9.82	4.81	-2.69

*Annualized

Sn.	Profitability Parameters		Dec-18 (Q3)	Mar-19 (Q4)	Sep-19 (Q2)	Dec-19 (Q3)	9M FY 19	9M FY 20
1	Business per Branch	₹ crore	167.71	172.7	179.68	182.30	167.71	182.30
2	Business per employee	₹ crore	19.09	19.9	20.30	20.78	19.09	20.78
3	Gross Profit per Branch	₹ crore	1.69	1.6	2.09	2.24	1.80	2.03
4	Gross Profit per Employee	₹ lacs	19.21	18.6	23.63	25.56	20.49	23.16

(₹ crore)

Parameters	Dec-18 (Q3)	Mar-19 (Q4)	Sep-19 (Q2)	Dec-19 (Q3)	9M FY 19	9M FY 20
Gross NPAs - Opening	50157	49713	48812	49850	49370	48729
Add : Additions	2983	3275	4219	5112	10302	12421
Less: Reductions	3427	4259	3181	5038	9959	11226
1. Recoveries	1287	762	624	2255	3747	3361
2. Up-gradation	510	650	679	582	1288	1549
3. Write Off	1630	2847	1878	2201	4924	6316
Gross NPAs- Closing	49713	48729	49850	49924	49713	49924
Gross NPA (%)	15.66	14.98	15.24	14.86	15.66	14.86
Net NPA	24142	20332	20791	21511	24142	21511
Net NPA (%)	8.27	6.85	6.98	6.99	8.27	6.99
Provision Coverage Ratio (%)	58.84	66.24	67.75	67.42	58.84	67.42
Tangible PCR (%)	51.44	58.27	58.29	56.91	51.44	56.91
Credit Cost (%)	2.69	7.20	4.11	1.89	2.39	2.55

(₹ crore)

Sectors	Slippages During Q3 FY 20	NPAs Dec 2019	Sectoral NPA %		
			Dec-18	Sep-19	Dec-19
Retail Loans	259	1641	2.23	2.76	2.64
Agriculture	714	5824	7.71	11.32	11.86
Micro & Small (MSE)	1121	7673	12.19	13.4	14.57
Medium & Large	3018	34786	26.22	23.6	22.74
Total	5112	49924	15.66	15.24	14.86

Scheme	Standard as on Sep 2019		Standard as on Dec 2019	
	Account	Amount (Rs. in crore)	Account	Amount (Rs. in crore)
5:25	10	2860	10	2860
SDR	1	0*	1	0
S4A	1	12	1	12

*Account is Non-Fund Based

S.N.	Sector #	Outstanding	NPA	Std. Restructured	NPA + Std. Restructured (%)
1	Infrastructure	52270	10214	922	21.30
a.	Power	24503	5738	256	24.46
b.	Roads	8731	2561	629	36.54
2	Iron & Steel	8873	3448	108	40.08
3	Textiles	7115	2121	34	30.29

#Domestic

Particulars (percent to Gross Advances)	Dec-18	Sep-19	Dec-19
Standard Restructured	0.36	0.50	0.62
Impaired Assets Ratio (GNPA + Standard Res)	16.00	15.70	15.47
Net Impaired Assets Ratio (NNPA + Standard Res)	7.96	6.9	7.01

RBI List 1 O/s

Rs. 4318 cr (7 A/c)

RBI List 2 O/s

Rs. 3390 cr (15 A/c)

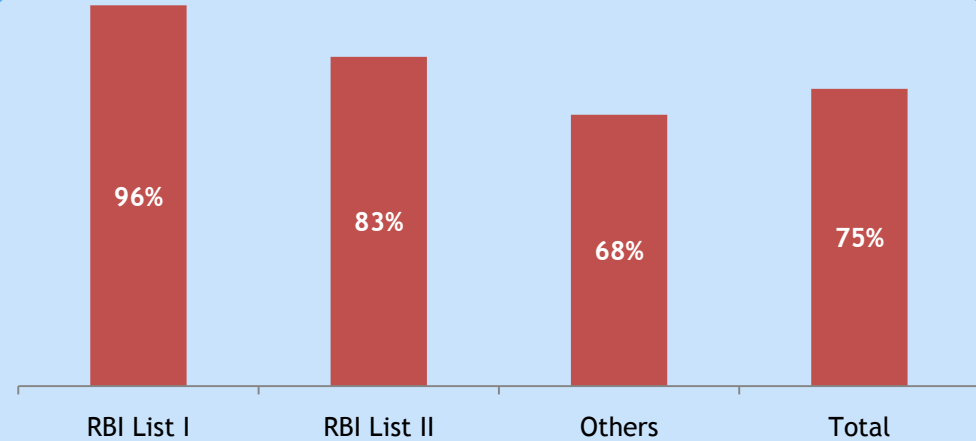
Others - Admitted

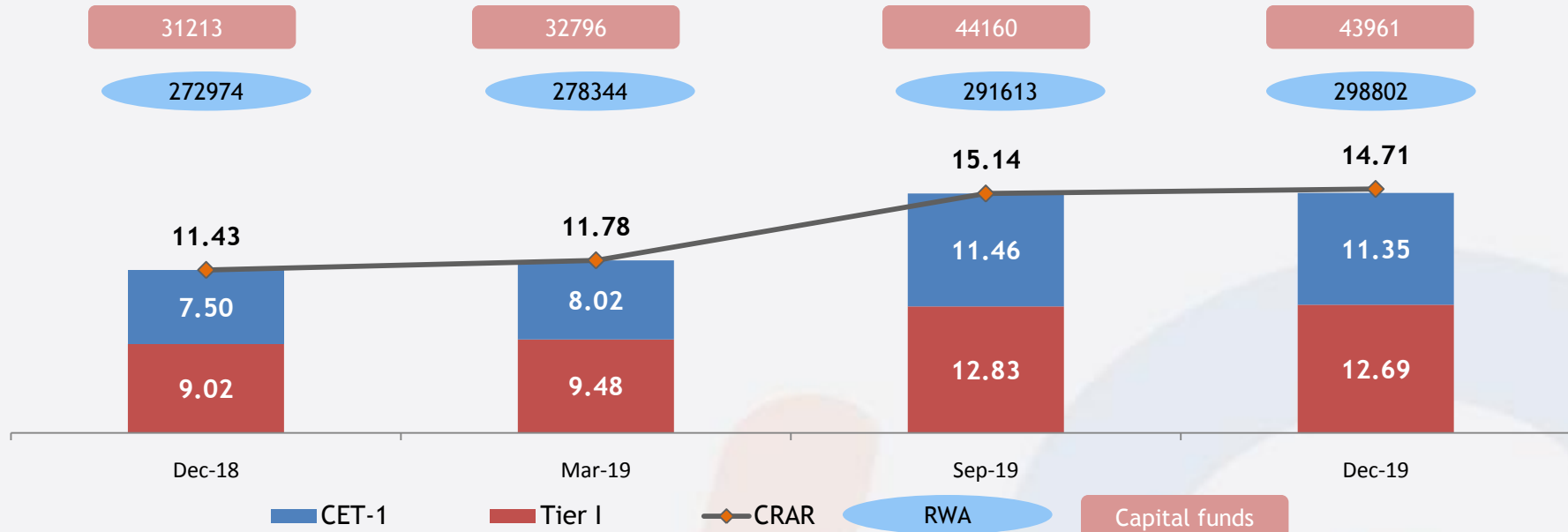
Rs. 17477 cr (173 A/c)

Total

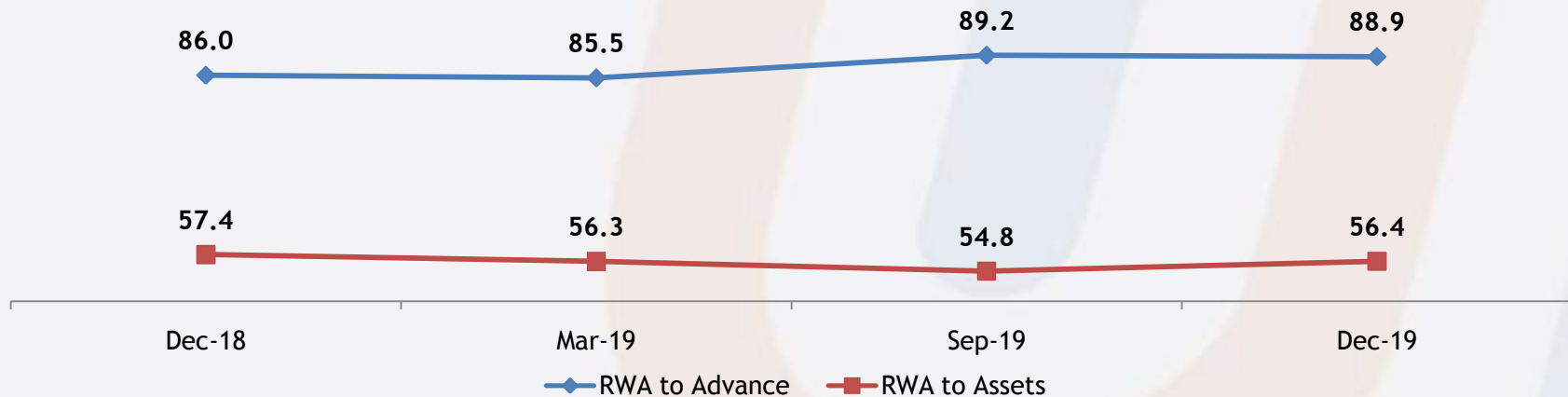
Rs. 25185 cr (195 A/c)

PCR on NCLT Accounts

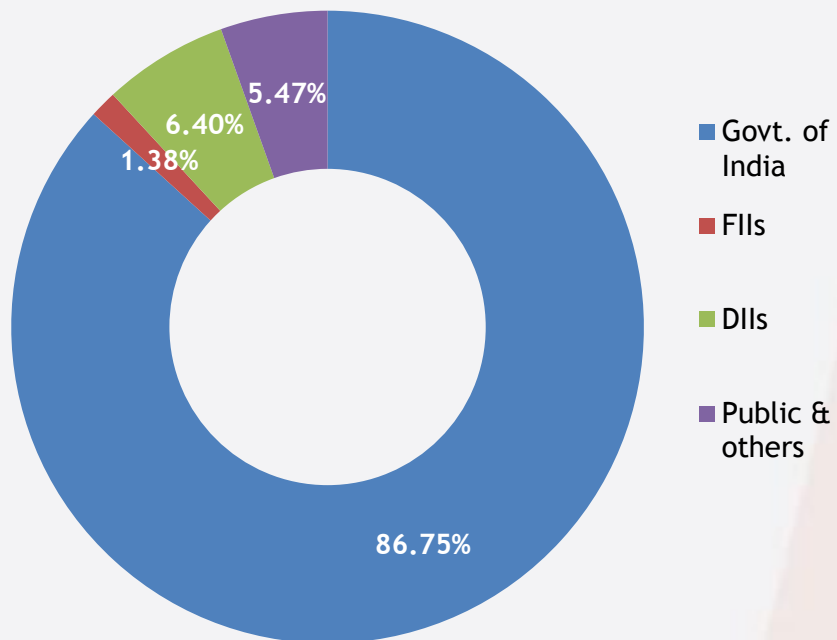




RWA Optimization



December-19



Share Capital

₹ 3423 crore

No. of Equity Shares

₹ 342.28 crore

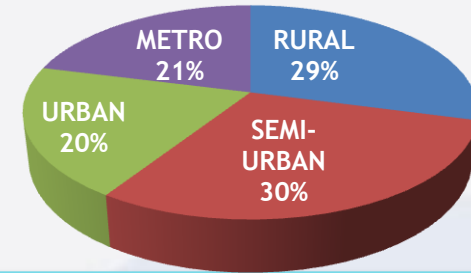
Net Worth

₹ 29324 crore

Market Cap

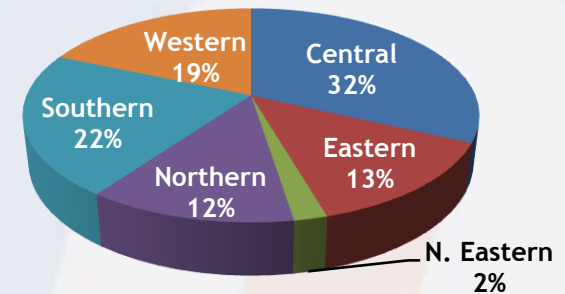
₹ 18757 crore

Branch Distribution by Urbanization

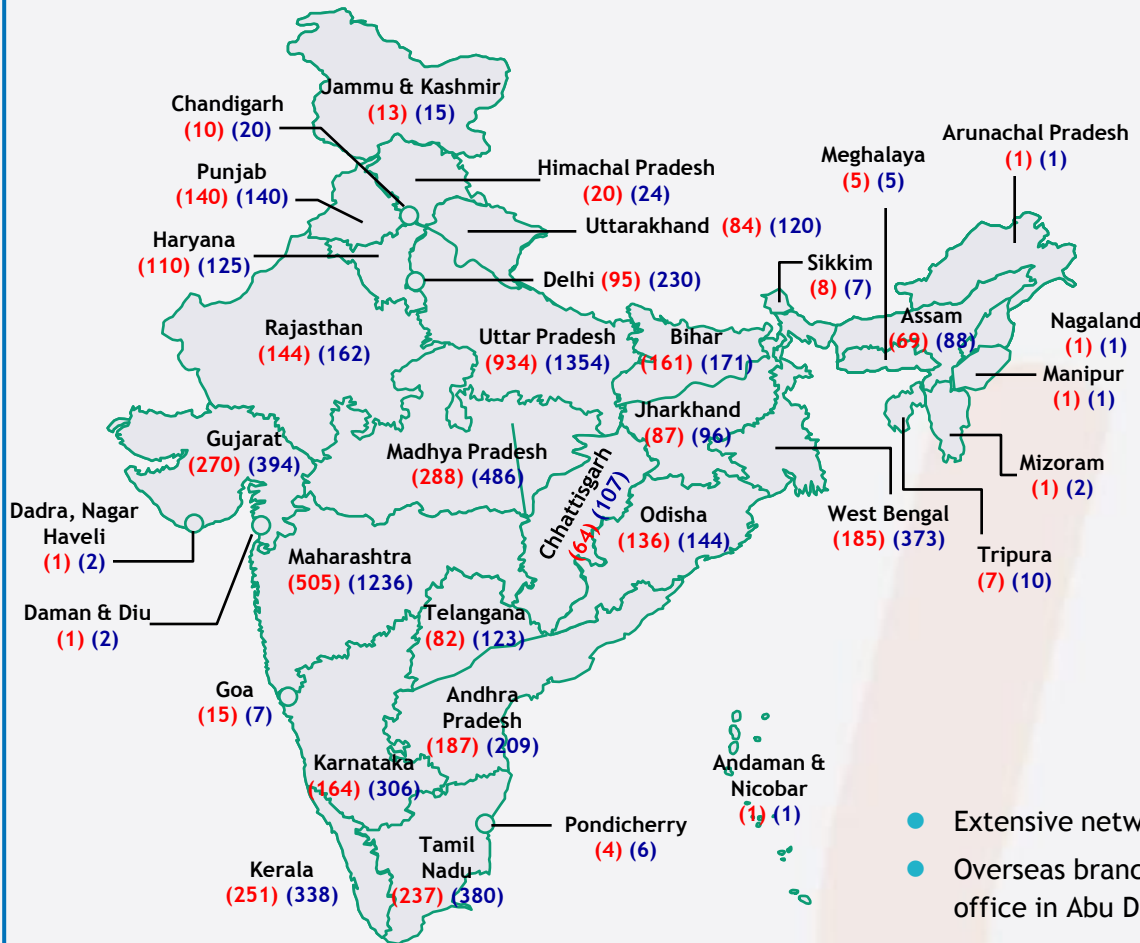


59% branches in rural/semi-urban markets

Branch Distribution by Geography



Geographical diversification minimizes regional risks



Domestic Branches (4,282) # ATMS (6686)
Micro-ATMS (5586)

- Extensive network across India
- Overseas branches in Hong Kong, Sydney and Dubai, in addition to representative office in Abu Dhabi
- Operates in the UK through its wholly owned subsidiary, Union Bank of India (UK) Ltd.
- The Bank has 27 extension counters, 59 satellite offices and 48 service branches in addition to its regular bank branches as of December 31, 2019.

1 Business Performance

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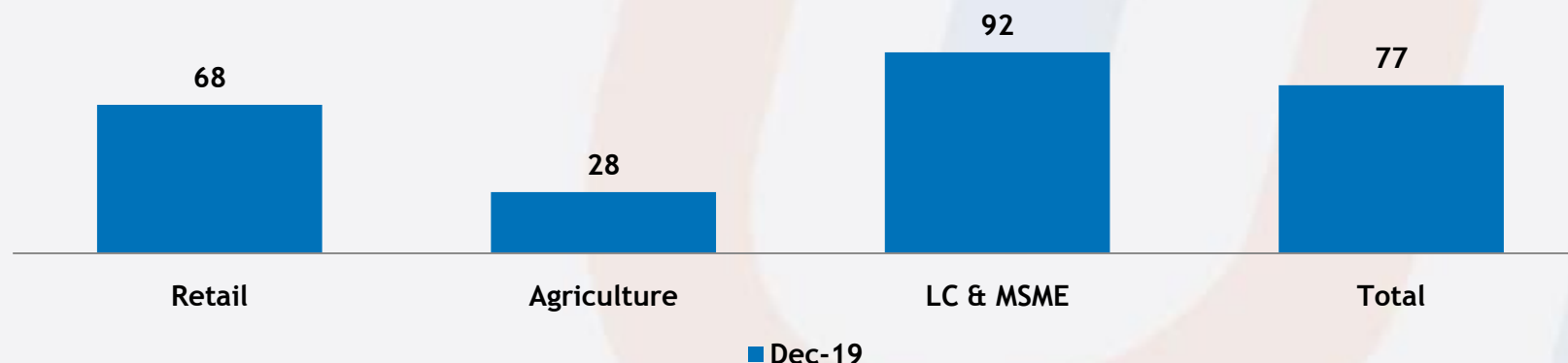
More than 75% of Credit Appraisal centralized

Structural Development: Creation of Centralized Processing Centres (CPCs)

Particulars	No of Units (Mar-19)	No. of Units (Dec-19)	Sectors covered
ULP	74	75	Retail (Housing and Mortgage Loan)
USK	38	52	Retail, Agriculture and MSME
SARAL	45	48	MSME, Agriculture (selected segment)
MCB	24	23	Mid Corporate
IFB	8	7	Large Corporate

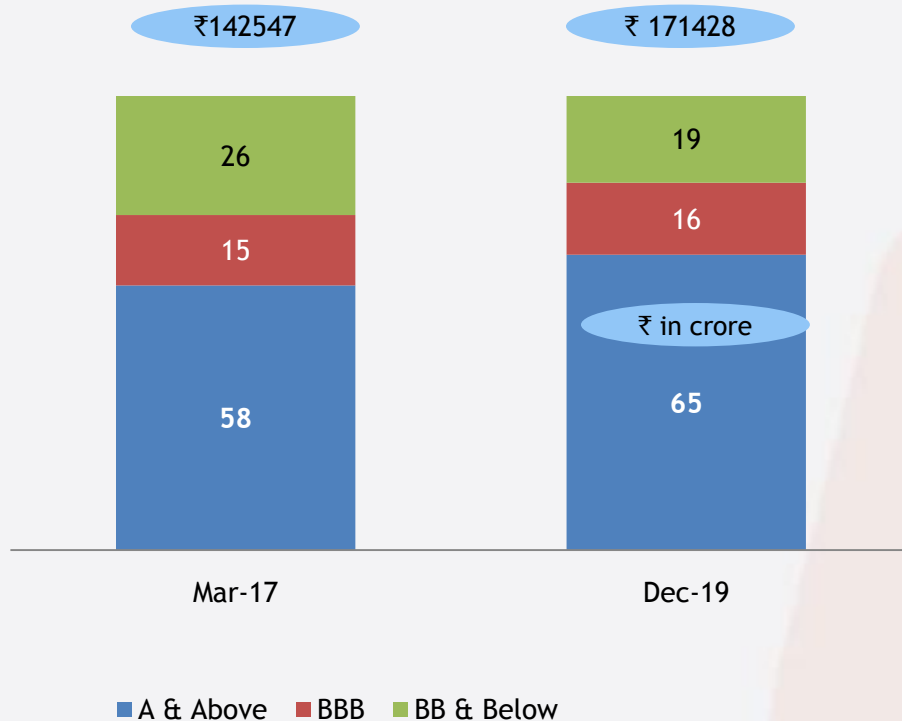
Centralization in credit appraisals

% of credit proposals underwritten at CPCs



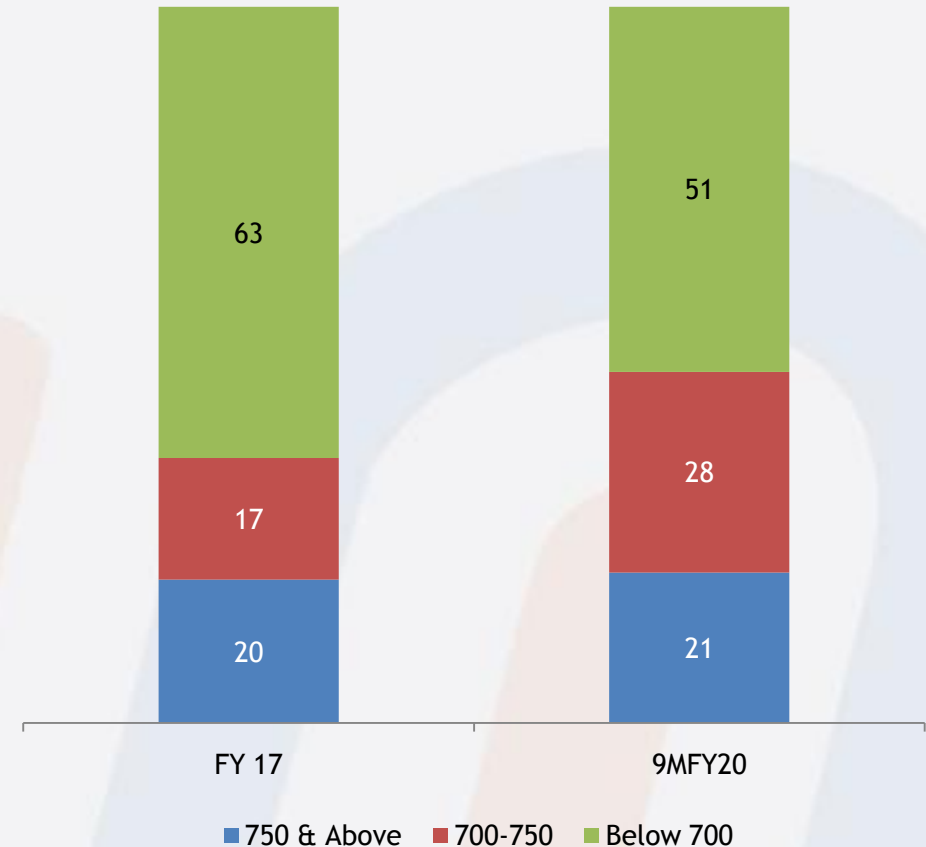
Rated Advances - Lending to higher rated borrowers...

Rating Matrix of Outstanding Corporate Loans (> ₹5 crore)



Maintained rating profile of new retail loans sanctioned

Retail CIBIL Rating Profile



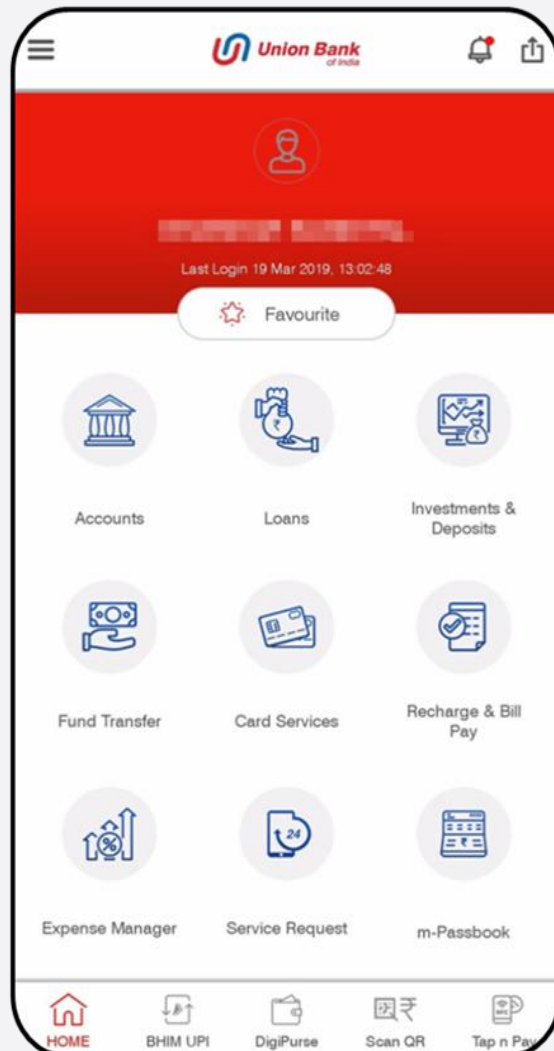
1 Business Performance

2 Financials

3 Strategic Initiatives - Outcome

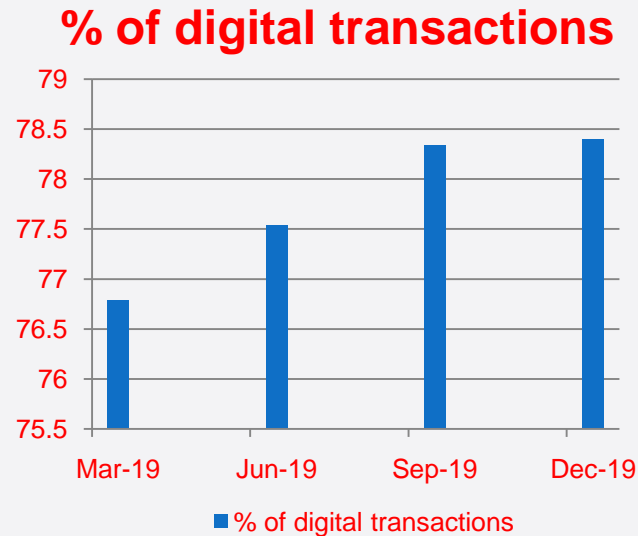
4 Digital Banking

5 Group Entities



Mobile Banking Reinvented-New features added:

- **ATM GEO LOCATOR** - provides real time status of active ATMs within three different distance range, (0-3km), (3-5km) and (5-10km).
- **QUICK FUNDS TRANSFER** - allows a user to transfer funds up to Rs5000/- per day within and outside bank without registration of payee.
- **GREEN PIN GENERATION** - Umobile app enables the new as well as existing debit card holder to generate Green PIN through Umobile app. Customer need not to visit the ATM for generation of the same.
- **BBPS IN UMOBILE** - BBPS facility allows customers to fetch the outstanding amount of bill under various categories of utility payments and allows for making payments of the pending bill amount.
- **Other new highlights** - Umobile App assistance, Expense Manager, Demo Videos which enhances the overall experience of customers by providing customised services.

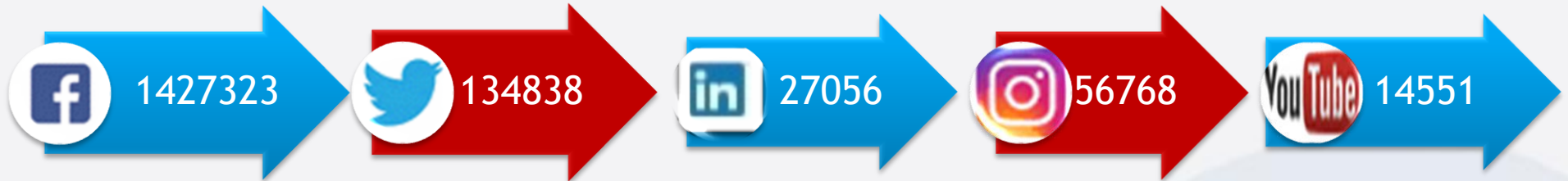


DEBIT CARD AUTOMATION - Real time activation of Ready kit debit cards thereby reducing the TAT from 48 hours to less than a second and enhancing customer satisfaction.

- **24*7 NEFT** services made available for the customers.
- **BHARAT QR** made live for meeting the requirements of Corporates as per provisions of CBDT..
- **NETC FASTAGS** made available to customers, expanding the reach day by day.
- Vast network of **6686 ATMs** all across the country covering rural, semi urban, urban and metro areas for the convenience of the customers.
- **Dedicated call centre** at Mumbai and Bangaluru for 24*7 customer support.



SOCIAL MEDIA



TIE UPS



20% instant discount on movie tickets booked through BMS app/website using our debit/credit cards



Discount offers on gift items to our debit & credit card holders and internet banking users.



Discount offer on MakeMyTrip.com on Domestic flights & Hotel bookings using our Bank's debit & credit cards.



Discount on medicines FMCG and Apollo private label products to our debit & credit card holders on the Apollo Pharmacy stores

1 Business Performance

2 Financials

3 Strategic Initiatives - Outcome

4 Digital Banking

5 Group Entities

(₹ crore)

Subsidiaries				
<u>Union Bank of India (UK) Limited</u> <ul style="list-style-type: none"> • Wholly owned subsidiary operating in UK • Equity Investment - 649.33 crores 	Bank's Shareholding	Particulars	9MFY19	9MFY20
	100%	Total Income	108.30	106.45
		Net Profit/ (Loss)	-35.44	-26.76
		Total Assets	3370.06	3407.65
		Capital & Reserves	672.12	697.99
<u>Union Asset Management Co. Private Limited</u> <ul style="list-style-type: none"> • Wholly owned subsidiary • Bank's Equity Investment - 186.29 crores • Dai-ichi Life Holdings Inc, Japan invested Rs. 133.43 Crore in Union AMC through Compulsorily convertible preference shares (CCPS) in May, 2018 • About Two Lac Folios • Launched Mercury Series Mid and Small Cap Fund (US\$30 million) for Foreign Portfolio Investors. 	Bank's Shareholding	Particulars	9MFY19	9MFY20
	100%	Total Income	33.80	33.44
		Net Profit/ (Loss)	-0.89	2.34
		Total Assets	187.09	195.84
		Capital & Reserves	180.46	189.49
		Assets under Management (AUM)	4519.00	4229.00

(₹ crore)

Subsidiaries

<u>Union Trustee Co. Pvt. Limited</u> • Wholly owned subsidiary • Equity Investment - 0.06 crores	Bank's Shareholding	Particulars	9MFY19	9MFY20
	100%	Total Income	0.15	0.15
		Net Profit/ (Loss)	0.03	0.005
		Total Assets	0.17	0.17
		Capital & Reserves	0.11	0.10

Joint Venture

<u>Star Union Dai-ichi Life Insurance Co. Limited</u> • Joint venture with Bank of India and Dai-ichi Life Holdings INC. • Equity Investment - 65.00 crores • Presence in 72 locations throughout India • Since inception ,gross premium income is Rs.14057 crore	Bank's Shareholding	Particulars	9MFY19	9MFY20
	25.10%	Total Income	1621.44	2046.28
		Net Profit/ (Loss)	54.73	32.94
		Total Assets	7977.14	9517.04
		Capital & Reserves	559.18	629.54

Associates

Kashi Gomti Samyut Gramin Bank - Union Bank holds 35% shareholding

Disclaimer

Except for the historical information contained herein, statements in this presentation which contain words or phrases such as “is”, “aims”, ‘will’, ‘would’, ‘indicating’, ‘expected to’ etc., and similar expressions or variations of such expressions may constitute ‘forward-looking statements’. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion in business, the impact of any acquisitions, the adequacy of our allowance for credit losses, technological implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks. Union Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Thank You!



Investor queries: investor.relations@unionbankofindia.com